

STATE OF IOWA
DEPARTMENT OF COMMERCE
UTILITIES BOARD

IN RE: CUSTOMER RIGHTS AND REMEDIES TO AVOID DISCONNECTION	DOCKET NO. RMU-03-2
--	---------------------

ORDER COMMENCING RULE MAKING

(Issued January 16, 2003)

Pursuant to the authority of Iowa Code §§ 17A.4, 476.1, 476.2, and 476.20 (2001), the Utilities Board proposes to adopt the amendments attached hereto and incorporated herein by reference. The amendments are to 199 IAC 19.4(15)"h"(3) and 20.4(15)"h"(3). This proceeding has been identified as Docket No. RMU-03-2.

The Utilities Board (Board) established Docket No. NOI-01-1 to investigate issues related to the high heating bills that occurred in the winter of 2000-2001. During the discussions in that docket, comments were received that the Board's rules setting out the notice of the rights and remedies of customers to avoid disconnection were hard to understand. In response to those comments, Board staff revised the rights and remedies notice and circulated it to representatives of consumer energy utility associations, investor-owned utilities, the Iowa Department of Human Rights, Iowa Legal Services Corporation, community action agencies, and the Consumer Advocate Division of the Department of Justice (Consumer Advocate).

An initial draft of a revised version of the notice that originated with the Consumer Advocate was circulated to other parties. That version was then modified

to a question and answer format drafted by the consumer energy utility associations. The Board then reviewed the final version, made some minor changes, and is now issuing this order to initiate a rule making on the new rights and remedies notice.

The revisions to the rights and remedies notice are designed to make the notice more understandable to each customer and to ensure the notice is consistent with the Board's rules on disconnection of gas and electric service.

IT IS THEREFORE ORDERED:

1. A rule making proceeding, identified as Docket No. RMU-03-2, is commenced for the purpose of receiving comments on the proposed rules in the notice attached hereto and incorporated herein by reference in this order.

2. The Executive Secretary is directed to submit for publication in the Iowa Administrative Bulletin a notice in the form attached to and incorporated by reference in this order.

UTILITIES BOARD

/s/ Diane Munns

/s/ Mark O. Lambert

ATTEST:

/s/ Judi K. Cooper
Executive Secretary

/s/ Elliott Smith

Dated at Des Moines, Iowa, this 16th day of January, 2003.

UTILITIES DIVISION [199]

Notice of Intended Action

Pursuant to Iowa Code sections 17A.4, 476.1, 476.2, and 476.20, the Utilities Board (Board) gives notice that on January 16, 2003, the Board issued an order in Docket No. RMU-03-2, In re: Customer Rights And Remedies To Avoid Disconnection, "Order Commencing Rule Making." The rule making proposes amendments to the Board's standard notice that sets out the rights and remedies for gas and electric customers. The amendments are to 199 IAC 19.4(15)"h"(3) and 20.4(15)"h"(3) and they are designed to make the notice more readable and consistent with the Board's rules on disconnection. The support for the proposed amendments is discussed in the Board's "Order Commencing Rule Making" issued simultaneously with this notice.

Pursuant to Iowa Code sections 17A.4(1)"a" and "b," any interested person may file a written statement of position pertaining to the proposed amendments. The statement must be filed on or before March 4, 2003, by filing an original and ten copies in a form substantially complying with 199 IAC 2.2(2). All written statements should clearly state the author's name and address and should make specific reference to this docket. All communications should be directed to the Executive Secretary, Utilities Board, 350 Maple Street, Des Moines, Iowa 50319-0069.

A public hearing to receive oral comments on the proposed amendments will be held at 10 a.m. on April 8, 2003, in the Board's hearing room at the address listed

above. Persons with disabilities requiring assistive services or devices to observe or participate should contact the Utilities Board at (515) 281-5256 in advance of the scheduled date to request that appropriate arrangements be made.

These amendments are intended to implement Iowa Code sections 17A.4, 476.1, 476.2, and 476.20.

The following amendments are proposed.

Item 1. Amend subparagraph 199—19.4(15)"h"(3) as follows:

(3) The summary of the rights and remedies must be approved by the board.

Any utility providing gas service and defined as a public utility in Iowa Code section 476.1 which does not use the standard form set forth below for customers billed monthly shall submit to the board an original and six copies of its proposed form for approval. A utility billing a combination customer for both gas and electric service may modify the standard form to replace each use of the word “gas” with the words “gas and electricity” in all instances.

~~CUSTOMER RIGHTS AND REMEDIES TO AVOID DISCONNECTION~~

~~The following is a summary of your rights and remedies under the rules of the Utilities Division of the Iowa Department of Commerce to avoid disconnection of utility service.~~

~~Disconnection can be avoided by paying the past due amount or by making arrangements to pay on or before the date listed on the notice.~~

~~Disconnection for nonpayment may occur only after we have sent a written notice of disconnection by regular mail postmarked at least 12 days before service is to be shut off. This notice must include the reason for disconnection. We must try to~~

~~contact you by phone or in person prior to disconnection. If disconnection is scheduled between November 1 and April 1 and it has not been possible to contact you by phone or in person, a notice must be placed on the door of the home at least one day before service is disconnected.~~

~~*Disconnection of your service may take place only between the hours of 6 a.m. and 2 p.m. on a weekday and not on weekends or holidays. If you make payment or other arrangements during normal business hours, or by 7 p.m. for utilities permitting such payment or other arrangements after normal business hours, all reasonable efforts shall be made to reconnect your service that day. If you make payment or other arrangements after 7 p.m., all reasonable efforts shall be made to reconnect your service not later than 11 a.m. the next day. Between November 1 and April 1, we cannot require you to pay a deposit before service is reconnected or as part of an agreement for service to be continued.*~~

~~*Delinquent bill.* If you are unable to pay a past due bill in full, you will be given an opportunity to enter into a payment agreement to avoid disconnection of service. The agreement will be negotiated to meet your individual needs and you may spread payments for the past due bill over at least 12 months. You must also agree to pay each new monthly bill as it comes due. If we refuse an agreement, you will be told in writing why we refused, and you may continue to pay under your proposed agreement without disconnection of service if you ask the Board (within 10 days after receiving the written refusal) for assistance in working out an agreement with us. (Iowa Utilities Board, 350 Maple Street, Des Moines, Iowa 50319, (515)281-3839 or toll-free (877)565-4450). If you break the payment agreement, we are not required~~

~~to offer you a second payment agreement and may disconnect service on one day's notice.~~

~~*Health.* Disconnection for nonpayment will be delayed 30 days if a physician or public health official determines that a permanent resident in your house has a serious health problem and will be endangered if service is shut off. At our request, a telephone call from the physician or public health official to our office must be followed up by a letter within five days. During the 30-day delay, you must work out a payment agreement. If the physician or health official states that the health problem still exists at the end of the initial 30 days, you may receive an additional 30-day delay.~~

~~*Disputed bill.* If you disagree with the accuracy of your bill, you may pay the undisputed portion and notify our office of the disagreement. Disconnection will be delayed for up to 45 days from the date the bill was mailed so that the disagreement may be settled. If you file a written complaint with the board (address and telephone number listed previously), disconnection may be further postponed, should the board request the extension.~~

~~*Winter energy assistance (November 1 through April 1).* You may be eligible for low-income energy assistance or weatherization funds. If you tell us that you may qualify for energy assistance, you will be given 12 days from the date on which the disconnection notice was mailed to apply to the local community action agency. You must apply prior to the disconnection date. If the community action agency certifies you as being eligible for either low-income energy assistance or weatherization~~

~~assistance within 30 days from the date of your application, then your service cannot be disconnected between November 1 and April 1.~~

~~It is unlikely, however, that energy assistance funds will pay all of your utility bills. It is to your advantage to make a payment arrangement now to avoid disconnection of your service after April 1.~~

~~If you have been certified as eligible for assistance, and you receive a disconnection notice from your gas or electric company, it is up to you to ensure that the utility is notified of your eligibility. Your certification will cover the current November 1 through April 1 period only. For further information on how to apply for assistance and qualifications, contact our business office, the Division of Community Action Agencies of the Department of Human Rights, Lucas State Office Building, Des Moines, Iowa 50319 (1-515-281-0859), or your community action agency [list of community action agency addresses and telephone numbers for the utility's service territory].~~

AVOIDING SHUT-OFF OF GAS SERVICE FOR NON-PAYMENT

1. What can I do if I receive a notice from the utility that says my gas will be shut off because I have a past due bill?

- a. Pay the bill in full;
- b. Enter into a reasonable payment plan with the utility (see #2 below);
- c. Apply for and become eligible for low-income energy assistance (see #3 below);

d. Give the utility a written statement from a doctor or public health official stating that shutting off your gas would be a serious health danger for a person living at the residence (see #4 below); or,

e. Tell the utility if you think part of the amount shown on the bill is wrong.

However, you must still pay the part of the bill you agree you owe us (see #5 below).

2. How do I go about making a reasonable payment plan?

a. Contact the utility as soon as you know you cannot pay the amount you owe.

If you cannot pay all the money you owe at one time, the utility may offer you a payment plan that is at least 12 months long. The plan may be longer depending on your financial situation.

b. If you have not made the payments you promised in a previous payment plan with the utility and still owe money, the utility can refuse to offer you another payment plan.

c. If you do not make the payments you promised, the utility may shut off your utility service after one day's notice, unless all the money you owe the utility is paid.
If your utility service is shut off, the utility may refuse to offer you any further payment plans.

3. How do I apply for low-income energy assistance?

(Residential Customer Only)

a. Contact the local community action agency in your area (see attached list); or,

b. Contact the Division of Community Action Agencies at the Iowa Department of Human Rights, Lucas State Office Building, Des Moines, Iowa 50319; telephone (515)281-0859.

c. To avoid disconnection, you must apply for energy assistance before your service is shut off. Notify your utility that you may be eligible for energy assistance and have applied.

4. What if someone living at the residence has a serious health condition?

(Residential only)

a. Contact the utility if you believe this is the case. Contact your doctor or a public health official and ask them to contact the utility and state that shutting off your utility service would be a serious health danger for a person living at the residence. The doctor or public health official must provide a written statement to the utility office within five days of when your doctor or public health official notified the utility of the health condition; otherwise your utility service may be shut off. If the utility receives this written statement your service will not be shut off for 30 days. This 30-day delay is to allow you time to arrange payment of your utility bill or find other living arrangements.

5. What should I do if I believe my bill is not correct?

a. You may dispute your utility bill. You must tell the utility in writing you dispute the bill. You must go ahead and pay the part of the bill you think is correct. If you do this, the utility will not shut off your gas for 45 days from the date the bill was mailed while you and the utility work out the dispute over the part of the bill you think is incorrect.

6. When can the utility shut off my utility service because I have not paid my bill?

- a. Your utility can shut off service between the hours of 6 a.m. and 2 p.m., Monday through Friday.
- b. The utility will not shut off your service on nights, weekends, or holidays for nonpayment of a bill.
- c. The utility will not shut off your service if you enter into a reasonable payment plan to pay the overdue amount (see #2).
- d. The utility will not shut off your service if the temperature is forecasted to be colder than 20 degrees Fahrenheit during the 24-hour period, including the day your service is scheduled to be shut off.
- e. If you have qualified for low-income energy assistance, the utility cannot shut off your service between November 1 and April 1. However, you will still owe the utility for the service used during this time.
- f. The utility will not shut off your service if you have notified the utility in writing that you dispute a portion of your bill and you pay the part of the bill that you agree is correct.

7. How will I be told the utility is going to shut off my gas?

- a. You must be given a written notice at least 12 days before the utility service can be shut-off for non-payment. This notice will include the reason for shutting off your service.
- b. The utility must also try to reach you by telephone or in person before it shuts off your service. Between November 1 and April 1, if the utility cannot reach you by telephone or in person, it will put a written notice on the door of the residence telling you that your utility service will be shut off.

8. If service is shut off, when will it be turned back on?

a. The utility will turn your service back on if you pay the whole amount you owe or agree to a reasonable payment plan (see # 2).

b. If you make your payment during regular business hours, or by 7 p.m. for utilities permitting such payment or other arrangements after regular business hours, the utility must make a reasonable effort to turn your service back on that day. If service cannot reasonably be turned on that same day, the utility must do it by 11 a.m. the next day.

c. The utility may charge you a fee to turn your service back on. Those fees are higher in the evening or weekends, so you may ask that your service be turned on during normal utility business hours.

9. Is there any other help available besides your utility?

a. If the utility has not been able to help you with your problem, you may contact the Iowa Utilities Board toll free at 1-877-565-4450. You may also write the Iowa Utilities Board at 350 Maple Street, Des Moines, Iowa 50319-0069 or by email at iubcustomer@iub.state.ia.us.

Item 2. Amend subparagraph 199—20.4(15)"h"(3) as follows:

(3) The summary of the rights and remedies must be approved by the board. Any utility providing electric service and defined as a public utility in Iowa Code section 476.1 which does not use the standard form set forth below for customers billed monthly shall submit to the board an original and six copies of its proposed form for approval. A utility billing a combination customer for both gas and electric

service may modify the standard form to replace each use of the word “electric” with the words “gas and electricity” in all instances.

~~CUSTOMER RIGHTS AND REMEDIES TO AVOID DISCONNECTION.~~

~~The following is a summary of your rights and remedies under the rules of the Utilities Division of the Iowa Department of Commerce to avoid disconnection of utility service.~~

~~Disconnection can be avoided by paying the past due amount or by making arrangements to pay on or before the date listed on the notice.~~

~~Disconnection for nonpayment may occur only after we have sent a written notice of disconnection by regular mail postmarked at least 12 days before service is to be shut off. This notice must include the reason for disconnection. We must try to contact you by phone or in person prior to disconnection. If disconnection is scheduled between November 1 and April 1 and it has not been possible to contact you by phone or in person, a notice must be placed on the door of the home at least one day before service is disconnected.~~

~~Disconnection of your service may take place only between the hours of 6 a.m. and 2 p.m. on a weekday and not on weekends or holidays. If you make payment or other arrangements during normal business hours, or by 7 p.m. for utilities permitting such payment or other arrangements after normal business hours, all reasonable efforts shall be made to reconnect your service that day. If you make payment or other arrangements after 7 p.m., all reasonable efforts shall be made to reconnect your service not later than 11 a.m. the next day. Between November 1 and April 1,~~

~~we cannot require you to pay a deposit before service is reconnected or as part of an agreement for service to be continued.~~

~~*Delinquent bill.* If you are unable to pay a past due bill in full, you will be given an opportunity to enter into a payment agreement to avoid disconnection of service. The agreement will be negotiated to meet your individual needs and you may spread payments for the past due bill over at least twelve months. You must also agree to pay each new monthly bill as it comes due. If we refuse an agreement, you will be told in writing why we refused, and you may continue to pay under your proposed agreement without disconnection of service if you ask the Board (within ten days after receiving the written refusal) for assistance in working out an agreement with us. (Iowa Utilities Board, 350 Maple Street, Des Moines, Iowa 50319, (515)281-3839 or toll-free (877)565-4450). If you break the payment agreement, we are not required to offer you a second payment agreement and may disconnect service on one day's notice.~~

~~*Health.* Disconnection for nonpayment will be delayed thirty days if a physician or public health official determines that a permanent resident in your house has a serious health problem and will be endangered if service is shut off. At our request, a telephone call from the physician or public health official to our office must be followed up by a letter within five days. During the thirty-day delay, you must work out a payment agreement. If the physician or health official states that the health problem still exists at the end of the initial thirty days, you may receive an additional thirty-day delay.~~

~~*Disputed bill.* If you disagree with the accuracy of your bill, you may pay the undisputed portion and notify our office of the disagreement. Disconnection will be delayed for up to forty-five days from the date the bill was mailed so that the disagreement may be settled. If you file a written complaint with the Board (address and telephone number listed previously), disconnection may be further postponed, should the Board request the extension.~~

~~*Winter energy assistance (November 1 through April 1).* You may be eligible for low-income energy assistance or weatherization funds. If you tell us that you may qualify for energy assistance, you will be given twelve days from the date on which the disconnection notice was mailed to apply to the local community action agency. You must apply for assistance prior to the disconnection date. If the community action agency certifies you as being eligible for either low-income energy assistance or weatherization assistance within thirty days from the date of your application, then your service cannot be disconnected between November 1 and April 1.~~

~~It is unlikely, however, that energy assistance funds will pay all of your utility bills. It is to your advantage to make a payment arrangement now to avoid disconnection of your service after April 1.~~

~~If you have been certified as eligible for assistance, and you receive a disconnection notice from your gas or electric company, it is up to you to ensure that the utility is notified of your eligibility. Your certification will cover the current November 1 through April 1 period only. For further information on how to apply for assistance and qualifications, contact our business office, the Division of Community Action Agencies of the Department of Human Rights, Lucas State Office Building,~~

~~Des Moines, Iowa 50319 (1-515-281-0859), or your community action agency [list of community action agency addresses and telephone numbers for the utility's service territory].~~

AVOIDING SHUT-OFF OF ELECTRIC SERVICE FOR NON-PAYMENT

1. What can I do if I receive a notice from the utility that says my electricity will be shut off because I have a past due bill?

- a. Pay the bill in full;
- b. Enter into a reasonable payment plan with the utility (see #2 below);
- c. Apply for and become eligible for low-income energy assistance (see #3 below);
- d. Give the utility a written statement from a doctor or public health official stating that shutting off your electricity would be a serious health danger for a person living at the residence (see #4 below); or,
- e. Tell the utility if you think part of the amount shown on the bill is wrong.

However, you must still pay the part of the bill you agree you owe us (see #5 below.)

2. How do I go about making a reasonable payment plan?

- a. Contact the utility as soon as you know you cannot pay the amount you owe.
If you cannot pay all the money you owe at one time, the utility may offer you a payment plan that is at least 12 months long. The plan may be longer depending on your financial situation.
- b. If you have not made the payments you promised in a previous payment plan with the utility and still owe money, the utility can refuse to offer you another payment plan.

c. If you do not make the payments you promised, the utility may shut off your utility service after one day's notice, unless all the money you owe the utility is paid. If your utility service is shut off, the utility may refuse to offer you any further payment plans.

3. How do I apply for low-income energy assistance?

(Residential Customer Only)

- a. Contact the local community action agency in your area (see attached list); or,
- b. Contact the Division of Community Action Agencies at the Iowa Department of Human Rights, Lucas State Office Building, Des Moines, Iowa 50319; telephone (515)281-0859.
- c. To avoid disconnection, you must apply for energy assistance before your service is shut off. Notify your utility that you may be eligible for assistance and have applied.

4. What if someone living at the residence has a serious health condition? (Residential only)

- a. Contact the utility if you believe this is the case. Contact your doctor or a public health official and ask them to contact the utility and state that shutting off your utility service would be a serious health danger for a person living at the residence. The doctor or public health official must provide a written statement to the utility office within five days of when your doctor or public health official notified the utility of the health condition; otherwise your utility service may be shut off. If the utility receives this written statement your service will not be shut off for 30 days.

This 30-day delay is to allow you time to arrange payment of your utility bill or find other living arrangements.

5. What should I do if I believe my bill is not correct?

a. You may dispute your utility bill. You must tell the utility in writing you dispute the bill. You must go ahead and pay the part of the bill you think is correct. If you do this, the utility will not shut off your electricity for 45 days from the date the bill was mailed while you and the utility work out the dispute over the part of the bill you think is incorrect.

6. When can the utility shut off my utility service because I have not paid my bill?

a. Your utility can shut off service between the hours of 6 a.m. and 2 p.m., Monday through Friday.

b. The utility will not shut off your service on nights, weekends, or holidays for nonpayment of a bill.

c. The utility will not shut off your service if you enter into a reasonable payment plan to pay the overdue amount (see #2).

d. The utility will not shut off your service if the temperature is forecasted to be colder than 20 degrees Fahrenheit during the 24-hour period, including the day your service is scheduled to be shut off.

e. If you have qualified for low-income energy assistance, the utility cannot shut off your service between November 1 and April 1. However, you will still owe the utility for the service used during this time.

f. The utility will not shut off your service if you have notified the utility in writing that you dispute a portion of your bill and you pay the part of the bill that you agree is correct.

7. How will I be told the utility is going to shut off my electricity?

a. You must be given a written notice at least 12 days before the utility service can be shut-off for non-payment. This notice will include the reason for shutting off your service.

b. The utility must also try to reach you by telephone or in person before it shuts off your service. Between November 1 and April 1, if the utility cannot reach you by telephone or in person, it will put a written notice on the door of the residence telling you that your service will be shut off.

8. If service is shut off, when will it be turned back on?

a. The utility will turn your service back on if you pay the whole amount you owe or agree to a reasonable payment plan (see #2).

b. If you make your payment during regular business hours, or by 7 P.M. for utilities permitting such payment or other arrangements after regular business hours, the utility must make a reasonable effort to turn your service back on that day. If service cannot reasonably be turned on that same day, the utility must do it by 11 a.m. the next day.

c. The utility may charge you a fee to turn your service back on. Those fees are higher in the evening or weekends, so you may ask that your service be turned on during normal utility business hours.

9. Is there any other help available besides your utility?

a. If the utility has not been able to help you with your problem, you may contact the Iowa Utilities Board toll free at 1(877)565-4450. You may also write the Iowa Utilities Board at 350 Maple Street, Des Moines, Iowa 50319-0069 or by email at iubcustomer@iub.state.ia.us.

January 16, 2003

/s/ Diane Munns
Diane Munns
Chairman